

*New Jersey
Turnpike
Authority*

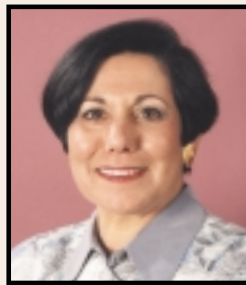


*1998
Annual
Report*





Frank X. McDermott
Chairman



Nancy H. Becker
Vice Chair



Raymond M. Pocino
Treasurer



Joseph P. (J.P.) Miele
Commissioner



Jerome P. Amedeo
Commissioner



James Weinstein
Commissioner NJDOT



Lawrence F. "Pat" Kramer
Commissioner

From Sept. 1994 to Nov. 1998



Edward Gross
Executive Director



Diane Scaccetti
Deputy Executive Director

Staff

Ralph J. Bruzzichesi, Director of Technology & Admin. Services
William J. Burke, Director of Toll Collection
Randy Corman, Director of Law
Robert F. Dale, Director of Operations
Lynn M. Fleeger, Acting Director of Communications/
Chief Information Officer
Mary-Elizabeth Garrity, Director of Human Resources
John G. Kunna, Chief Engineer
Catherine A. Schladebeck, Director of Finance & Budgets
David L. Wingerter, Director of Maintenance

Consultants

Riker Danzig Scherer Hyland & Perretti
General Counsel
HNTB Corporation
General Consulting Engineer
Paulus, Sokolowski & Sartor
General Environmental Consultant
KPMG LLP
Auditor
Wilbur Smith Associates
Traffic & Revenue Consultant



New Jersey Turnpike Authority

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(732) 247-0900

COMMISSIONERS

FRANK X. McDERMOTT, *Chairman*
JOSEPH (J.P.) MIELE

NANCY H. BECKER, *Vice Chair*
JEROME P. AMEDEO

RAYMOND M. POCINO, *Treasurer*
JAMES WEINSTEIN

EXECUTIVE DIRECTOR

EDWARD GROSS



Christine Todd Whitman
Governor

To the Honorable Christine Todd Whitman, Governor
and the Members of the New Jersey Legislature:

It is my privilege to submit to you the 1998 Annual Report of the New Jersey Turnpike Authority. In 1998, the New Jersey Turnpike moved a record 209,408,270 vehicles almost 5,000,000,000 miles. Patrons including business and industry, commuters, residents and tourists, traveled safely and efficiently over 148 miles of roadway.

The Turnpike Authority recognizes its important role in the economic vitality of New Jersey. With that recognition comes our continued commitment to safety and efficiency - a commitment which continues to attract motorists of all types to this superhighway.

In order to meet the Statewide objective of moving commercial vehicles to its highway system, the Turnpike Authority continued its efforts to attract truck traffic to our roadway. 1998 marked the implementation of the Pilot Off-Peak Commercial Vehicle Volume Discount Program. Commercial vehicles maintaining charge accounts with the Turnpike Authority receive discounts based on tolls paid. Other efforts included

improvements to the width and length of parking stalls at various service areas to make these areas truck-friendly.

Your Transportation Vision for the twenty-first century has been incorporated into the Turnpike Authority's planning process. The 65 mph speed limit, introduced as a part of your Vision Statement, was successfully implemented on May 19, 1998 from milepost 1.2 through milepost 97.7.

The financial condition of the Turnpike Authority remained strong through 1998. Excellent financial planning coupled with the outstanding efforts of the Turnpike Authority's staff has positioned us to move successfully into the 21st Century.

The Board of Commissioners takes great pride in the accomplishments of the New Jersey Turnpike Authority in 1998. We hope that you will be pleased with our results.

Cordially,

Frank X. McDermott
Chairman

Road Maintenance Excels



“The primary objective of the New Jersey Turnpike Authority is the safe and efficient movement of people and goods. Serving our patrons, contributing to the state and national economic well-being, and improving the quality of life for the citizens of New Jersey is at the heart of our mission. Our employees are committed to providing a well-maintained roadway in furtherance of reaching this objective.

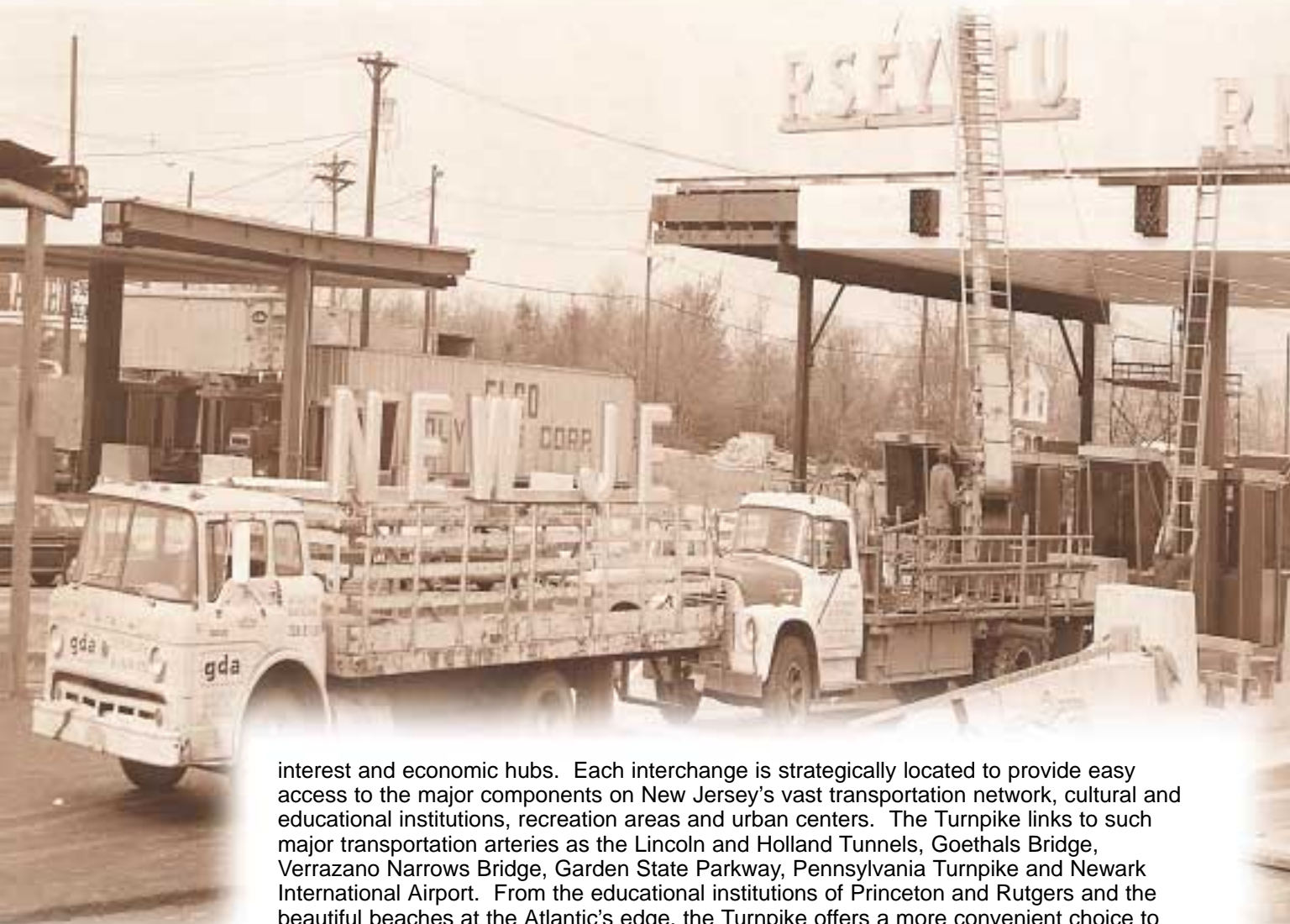
Every day, companies and their employees count on the reliability of the New Jersey Turnpike to link important regions together.”

Frank X. McDermott
Chairman
New Jersey Turnpike Authority

The Turnpike - Yesterday and Today

From the Desk of the Executive Director...

The New Jersey Turnpike is a major artery within the northeast corridor. Its 148 miles, nearly 500 bridges of concrete and steel, and complex infrastructure have a tremendous impact on our state's economy. In 1998, the Turnpike Authority continued to fulfill its primary objective of moving people and goods safely and efficiently. Progress towards major goals such as electronic toll collection and commercial vehicle initiatives helped in achieving this objective. The Turnpike continues to serve the varying needs of its patrons. Starting with the George Washington Bridge in the north to the Delaware Memorial Bridge in the south, with spurs that extend to the east and west, the Turnpike's 28 interchanges are a link to New Jersey's major highways, institutions, points of



interest and economic hubs. Each interchange is strategically located to provide easy access to the major components on New Jersey's vast transportation network, cultural and educational institutions, recreation areas and urban centers. The Turnpike links to such major transportation arteries as the Lincoln and Holland Tunnels, Goethals Bridge, Verrazano Narrows Bridge, Garden State Parkway, Pennsylvania Turnpike and Newark International Airport. From the educational institutions of Princeton and Rutgers and the beautiful beaches at the Atlantic's edge, the Turnpike offers a more convenient choice to reach your destination. The New Jersey Turnpike is the road of choice if you are taking a trip to McGuire Air Force Base, Six Flags Great Adventure Amusement Park and Outlet Shopping Center, Secaucus Warehouse District, Meadowlands Arena and Racetrack, Giants Stadium, the Performing Arts Center in Newark, Thomas Kean Aquarium or Liberty Science Center.

Throughout history, the New Jersey Turnpike has played a key role in facilitating the economic development of the State of New Jersey, its neighboring municipalities and the entire mid-Atlantic region. The Turnpike is the road to the region's growth, the way to a better future. Trips to major metropolitan business centers such as Boston, New York, Philadelphia and Washington, D.C. almost always include a trip on the New Jersey Turnpike. In 1998, more than 209,000,000 vehicles traveled the New Jersey Turnpike, generating over \$360,000,000 in toll revenue. In its 48-year history, more than 5,000,000,000 vehicles have traveled the Turnpike. People use the road to commute to work, to vacation, to visit family and friends, to shop or sightsee. One thing is for sure; life would be forever changed without the New Jersey Turnpike. The Turnpike contributes significantly to the quality of life not only enjoyed by New Jersey residents, but also every person who depends on the products and people who travel the roadway every day.

The Turnpike Authority is a complex organization employing many talented and dedicated people who are responsible for its smooth operation. Its employees are engaged in toll collection, engineering, maintenance, traffic operations, administration, communications, patron services

and financial management. Their efforts come together to make the Turnpike function similar to that of

a finely tuned machine with the single objective of the safe and efficient movement of goods and people.

Interchange 9 - 1973 (opposite page) and Interchange 9 - 1998 (above)

Edward Gross
Edward Gross

E-ZPass is on its way!

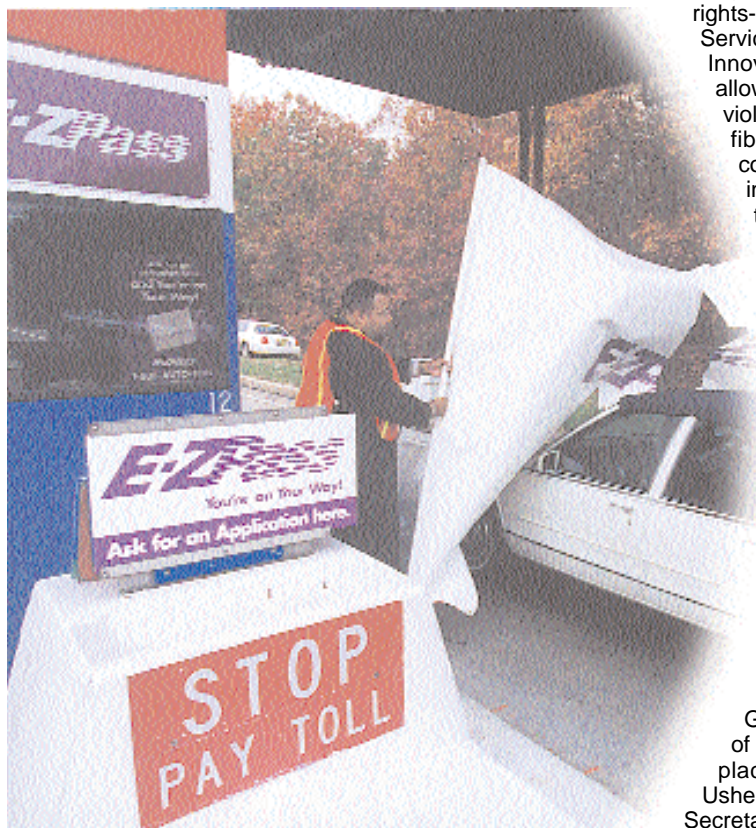
A regionally compatible system of electronic toll collection, known as E-ZPass, has progressed through several important milestones in 1998. The New Jersey Turnpike Authority, as the lead agency for a five-agency Regional Consortium for Electronic Toll Collection, piloted efforts to make the extremely popular toll collection system ~ now being used by over 2.5 million customers on New York toll facilities ~ a reality for New Jersey and Delaware motorists. The other members of the Regional Consortium are the Delaware Department of Transportation, the New Jersey Highway Authority, the Port Authority of New York and New Jersey, and the South Jersey Transportation Authority.



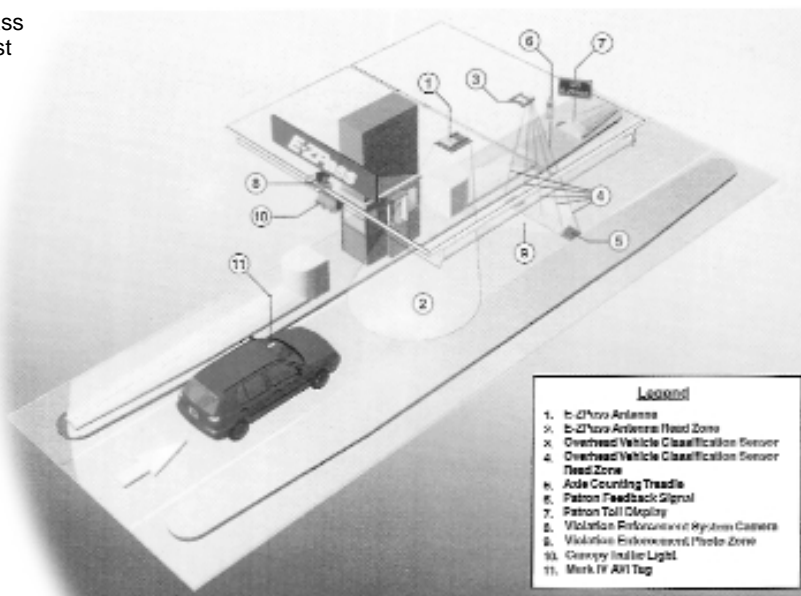
On March 11, 1998, the Regional Consortium entered into a 10 year contract with MFS Network Technologies, Inc. of Omaha, Nebraska to serve as the prime contractor for the nearly \$500 million project. Charged with the design, construction, operation, and maintenance of the system, MFS Network Technologies, Inc. is responsible for the installation of electronic toll equipment in more than 700 toll lanes, the installation of all new toll system equipment on the New Jersey Turnpike and Garden State Parkway, the installation of a fiber optic network along more than 400 miles of the toll road authorities' rights-of-way, and the establishment of a Customer Service Center and a Violations Processing Center. Innovative, non-traditional financing techniques allows the project to be funded with revenues from violations enforcement fees, the lease of excess fiber optic capacity to telecommunications companies, and additional technology marketing programs, thereby potentially eliminating the burden on the toll payer.

With a signed contract in place, efforts immediately focused on establishing the necessary components of a fully operational system. A site to house the main Customer Service Center and Violations Processing Center was selected and renovated. A detailed marketing plan was developed to make E-ZPass transponders available to the motoring public, to gauge market penetration and stimulate public awareness. Toll lane system integration and equipment installation activities moved forward and support staff was hired ~ all in preparation for the 1998 introduction of E-ZPass on the Delaware Department of Transportation's I-95 facility and the Atlantic City Expressway.

Grand opening ceremonies heralding the debut of E-ZPass on Delaware's I-95 toll facility took place on Wednesday, November 11, 1998. Ushered in by Delaware Governor Tom Carper, Secretary of Transportation Ann Canby, and several



New Jersey transportation officials, E-ZPass became an operational reality for the first time in this region on a toll facility outside the confines of New York State. On November 13th, the South Jersey Transportation Authority, operator of the Atlantic City Expressway, followed with formal opening ceremonies on its roadway and at its satellite Customer Service Center celebrating its November 11, 1998 opening. Progress continues on Phase II of the Consortium's implementation plan ~ installation of E-ZPass equipment on the New Jersey Turnpike and the New Jersey Highway Authority's Garden State Parkway. The Garden State Parkway is scheduled for E-ZPass operations in December 1999 and the Turnpike Authority will offer E-ZPass in May 2000.



A significant element of the Regional Consortium's E-ZPass project is the installation of nearly 400 miles of fiber optic cable along the rights-of-way of the Turnpike, Garden State Parkway, Atlantic City Expressway, and the I-95 corridor in Delaware. The fiber optic network, under design since April 1998, is scheduled for completion by year-end 1999. When complete, it will provide a communications backbone that offers redundancy in the form of a "self-healing" triangular loop design, ensuring uninterrupted data flow.

Innovative Motorist Initiatives



Off-Peak Commercial Vehicle Volume Discount Program

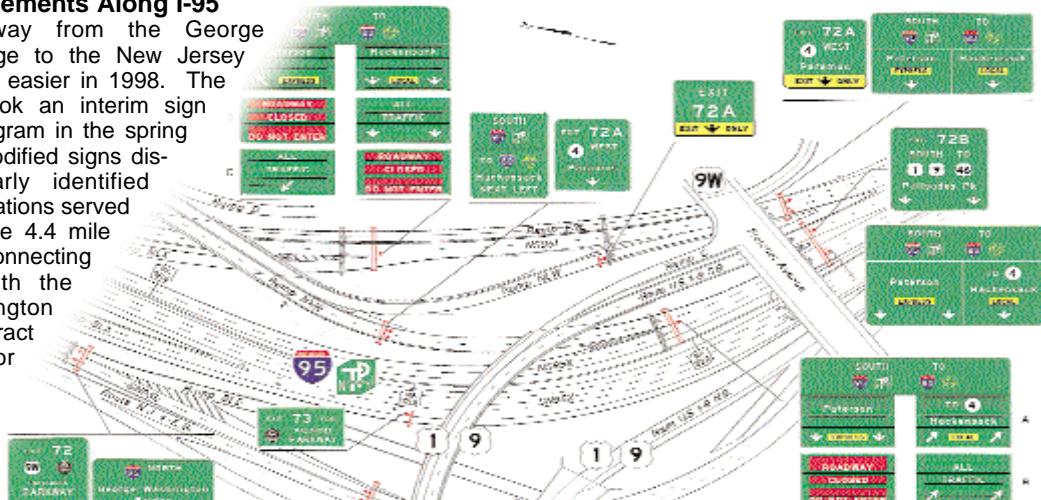
During the past several years, the Turnpike Authority has made significant strides in its efforts to encourage more commercial vehicles to use its roadway. The Turnpike has attracted nearly an additional 1,000,000 trucks per year in each of the past three years. In a continued effort to attract commercial vehicles to the New Jersey Turnpike, the Authority introduced the "Pilot Off-Peak Commercial Vehicle Volume Discount Program" for commercial charge account customers effective August 1, 1998.

The Program provides discounts to commercial users who participate in the Turnpike Authority's commercial vehicle charge account program except during commuter rush hours of 7-8:30 a.m. and 5-6:30 p.m. The Program has been crafted to encourage more commercial vehicles to travel the New Jersey Turnpike instead of using the local road system, which is not designed for heavy truck traffic volumes.

Customers who spend a minimum of \$50 per month in tolls will earn first dollar discounts on a graduated scale. The discounts are calculated on the customer's billing statements, and are determined as follows: up to \$200 per month spent in tolls will earn a 15% discount, \$200-\$500 per month will earn a 12.5% discount, over \$500 per month will earn a 7.5% savings in tolls.

Sign Replacements Along I-95

Finding your way from the George Washington Bridge to the New Jersey Turnpike became easier in 1998. The Turnpike undertook an interim sign improvement program in the spring of 1998. The modified signs display more clearly identified routes and destinations served by exits along the 4.4 mile stretch of I-95 connecting the Turnpike with the George Washington Bridge. A contract was awarded for permanent replacement signage in October 1998.



Tourist Information Center

Initiated in 1998, anyone traveling in New Jersey now has the opportunity to learn about the myriad of tourist attractions that abound throughout the Garden State. The New Jersey Turnpike opened the first-ever Tourist Information Center at the Molly Pitcher Service Area located on the southbound roadway between Interchanges 8 and 8A in Cranbury.

The center officially opened in October with a Fall Festival celebration. The event provided an opportunity for the public to see the new tourist center and view Turnpike equipment and special technologies used in running the roadway. There were numerous tourist attractions to view and opportunities to inquire about tourism and travel information. The highlight of the day was two tiger cubs visiting from Space Farms Zoo and Museum in Sussex.

Nearly 600,000 vehicles travel the New Jersey Turnpike on an average day. The new Molly Pitcher Tourist Information Center will offer patrons a wealth of information about New Jersey's diverse destinations, attractions and sightseeing opportunities as well as travel directions. Future plans include more tourist information centers on the Turnpike.

The Turnpike Authority worked in cooperation with the State Division of Travel and Tourism and Host Marriott Services Corporation, the Turnpike Authority's food service operator, to establish the Center.



Speed Limit Increases in Limited Areas

On May 19, 1998 the green light was given to motorists to drive 65 mph on stretches of highways in New Jersey for an 18-month trial period. State officials will use this time period to monitor traffic and accident statistics and the impact on the environment. Vehicles may drive at 65 mph on the New Jersey Turnpike from north of Interchange 1, beginning at milepost 1.2 near Carney's Point, Salem County, to just south of Interchange 13, milepost 97.7 in Linden, Union County, as well as the entire Pearl Harbor Memorial Turnpike Extension (formerly the Pennsylvania Extension).

Turnpike Beautification Efforts

Known for its miles of macadam, concrete and industrial surroundings, the Turnpike Authority undertook efforts in 1998 to soften its image by adding flower pots at Interchanges 9 and 11. Starting at Interchange 9 in mid-June, the terra-cotta pots displayed red geraniums. In September, Interchange 11 "sprouted" its own flower pots of fall mums. Public reaction was favorable and the Program is anticipated to expand.



Planning for Recognition of the 50th Year of Operation Begins

The New Jersey Turnpike will recognize a milestone in its operation in the fall of 2001 when it celebrates its fiftieth year of service to the State of New Jersey. Created by legislation in 1949, the New Jersey Turnpike opened to the public in November 1951. Vice Chair Nancy H. Becker is leading the effort to recognize this important occasion joined by the descendents of those whose vision was the foundation for its design and construction. Events are expected to take place during the fall of 2001.

Relocation of Interchange 6 and Associated Ramp Improvements

The construction of the relocated Interchange 6 and associated ramp improvements continued in 1998. Located on the Pearl Harbor Memorial Turnpike

Extension in Florence

Township,

Burlington

County (for-

merly the

Pennsylvania

Extension),

this construc-

tion project will

provide full

access between

the New Jersey

Turnpike and

Route 130. Pres-

ently, access is

limited. Addition-

ally, it is expected

that these improve-

ments will draw

commercial traffic

from the local road

system to the New

Jersey Turnpike and

will spur economic

development in this

region of the State. In

anticipation of electronic

toll collection, the new

Interchange will be

constructed to allow for

normal speed E-ZPass toll

lanes.



Contractor personnel install formwork for tunnel wall and stairwell construction. Work has progressed steadily throughout the winter months keeping this important project on schedule.

All necessary construction contracts have been awarded. The new toll plaza will open in November 1999 with full project completion in May 2000.

Construction Program Updates

Since it was first constructed at a cost of \$277,802,000, the New Jersey Turnpike has attracted the attention of highway and transportation officials from all over the world. The first 53 miles of roadway from Interchange 1 to Interchange 7 opened in November 1951. The balance of the 64.5 miles of road opened in January 1952 ~ just 2 years after the construction contracts were awarded. Operating strategies, maintenance plans and safety protocols instituted by the Turnpike Authority have set the standard for other transportation agencies around the world. One of the reasons that the Turnpike Authority continues to be a model for other agencies is that it has evolved to meet the challenges of technological advancements as it designs and constructs new infrastructure improvements.

Secaucus Interchange

In December 1997, the U.S. Army Corps of Engineers issued a Section 404 permit (Wetlands Permit) to the Turnpike Authority for the Secaucus Interchange Project, located on the Turnpike's Eastern Spur between Interchanges 15E and 16E. The Secaucus Interchange will promote the use of multimodal transportation and



relieve existing truck traffic congestion by providing regional highway access to New Jersey Transit's Secaucus Transfer Rail Station and improved access to the Secaucus Warehouse District. Additional economic development is expected as demonstrated by regional plans for more than 3 million square feet of commercial space which will be supported by this Interchange. During 1998, traffic, engineering and environmental studies continued in order to update the Turnpike Authority's Environmental Impact Statement ("EIS"). The EIS will be submitted to the New Jersey Department of Environmental Protection during the first quarter of 1999. The final design of the Project will be coordinated with regional initiatives sponsored by the New Jersey Department of Transportation.

Bridge Deck Repair

Fifty-seven of the Turnpike's 495 bridges were improved in 1998. Some of the larger structures reconditioned were: (1) the Passaic and Hackensack River Bridges on the Eastern Spur; (2) the Newark Bay Bridge, the Newark Viaduct and the East and West Viaducts on the Newark Bay-Hudson County Extension; and (3) the Delaware River Bridge. Lane closings necessitated by the construction work were scheduled to maximize safety and provide an acceptable level of service to the traveling public. To minimize delays to motorists, work was scheduled during off-peak hours, at night and on weekends whenever possible.



Interchange 13A Toll Plaza Widening

Construction is underway for the widening of the Interchange 13A Toll Plaza. When completed, the number of entry toll lanes will be increased from five to nine and the number of exit toll lanes will be increased from ten to twelve. Awarded in September 1998, the contract is scheduled to be completed in October 1999. This construction has been coordinated with off-road infrastructure improvements designed to promote economic development on the eastern side of the New Jersey Turnpike in Elizabeth, New Jersey.

Route 92

The proposed Route 92 project continued to move through the environmental permitting process in 1998. The 6.7-mile east/west connector linking Interchange 8A to U.S. 1 will serve central New Jersey by removing traffic from local roads to the New Jersey Turnpike. With the United States Environmental Protection Agency failing to withdraw its objections, environmental review of this project was transferred to the United States Army Corps of Engineers ("USACOE") for issuance of a federal wetlands permit in the fall of 1998. The Turnpike Authority is committed to this important project and will actively pursue the issuance of a 404 permit from the USACOE.

Median Barrier Improvements

The final contract under the Turnpike Authority's Median Barrier Replacement Program was awarded in 1998. The 42-inch high concrete barrier separates northbound traffic from southbound traffic. Specially designed to Turnpike Authority engineering specifications, this median barrier provides a major safety feature in reducing the risk of head-on collisions.



Interchange 1

The relocation and expansion of the Interchange 1 Toll Plaza continued through the final design stage in 1998. Receipt of environmental permits are expected in 1999. Plans call for Interchange 1 to be a split plaza with the Utility Building in the center of the Interchange. Elevators leading to overhead passageways will replace the traditional underground tunnels, which permit toll collectors to move safely between the utility building and the toll booths. Motorists entering or leaving the New Jersey Turnpike will have twenty-three toll lanes to facilitate their trip ~ seven on entry, sixteen on exit. Presently, there are a total of fifteen toll lanes. All lanes will be equipped with electronic toll collection equipment in preparation for the implementation of E-ZPass. Estimated to cost \$45 million, the relocated Interchange will be a fitting southern gateway to the State of New Jersey.

Remembering Our Own . . .

The Turnpike Authority's single greatest asset is the men and women it employs to ensure the safe passage of our motorists and the uninterrupted movement of goods. Their commitment to the mission of the Turnpike Authority is unwavering. There have been times when, in the execution of duties, an employee has made the ultimate sacrifice in service to the Turnpike Authority. In remembrance of those employees who have lost their lives, the Turnpike Authority has erected a Memorial Garden located at its headquarters in East Brunswick, New Jersey. A quiet place to sit for a moment of reflection, the Memorial Garden will stand as a constant reminder of the dedication of each of the employees remembered, and will forever honor the memory of those lost.



The Memorial Garden was dedicated on September 29, 1998. The inscription on the green granite trailblazer reads:



"This Garden is dedicated to the memory of Turnpike employees who gave their lives in performance of their duties. We honor their loyalty, perseverance and commitment as they endeavored to provide a safe and efficient roadway for the traveling public."

Harry Laderman
February 2, 1967

Dante DiTillio
July 18, 1972

Barry E. Wyckoff
July 18, 1972

Harry J. Applegate
September 18, 1986

Gordon C. Woodward
September 18, 1986

Robert K. Baran
June 11, 1996

Dennis Rotondo
October 13, 1998

On that same day, the Turnpike Authority's Commissioners paid tribute to former Executive Director William J. Flanagan in a ceremony dedicating the Traffic Operations Center to his memory. Recognized for his significant contributions to the technological advancement of the New Jersey Turnpike, the William J. Flanagan Traffic Operations Center houses state-of-the-art traffic management equipment for which the New Jersey Turnpike has earned a world-renowned reputation. Joined by his family, friends and former colleagues of Mr. Flanagan, Chairman McDermott and the Flanagan family unveiled a plaque that reads:



WILLIAM J. FLANAGAN
1919-1996
EXECUTIVE DIRECTOR
1962-1988



*A leader who had a vision for the future
an innovator who met its challenges
a thoughtful, caring man who inspired all with whom he served
an executive of skill and integrity who guided the New Jersey Turnpike
Authority to a place of international prominence*

Y2K Compliance Program

It has often been said that operating the New Jersey Turnpike is like running a major city. The services required by the residents of a city are very similar to those expected and received by motorists who use the Turnpike ~ food, telephones, electricity, water, fuel, and well-maintained, easily accessible facilities. As such, the Authority is focused on the affects of the Year 2000 as it pertains to our ability to provide a safe and efficient environment for the movement of both people and goods.

The Executive Director of the Authority established a Year 2000 Executive Committee chaired by the Director of Technology and Administrative Services Department ("TAS") with each department head as a member. Meetings were convened with each department head and senior managers to identify areas of potential exposure and recommend contingency actions. The major outcome of these discussions was an acute awareness of the various Y2K risk issues that affected the entire Turnpike Authority.

To obtain the required expertise not available in-house, a Request for Proposal (RFP) for consultant services was produced and distributed. In December 1998, Louis Berger

Associates was selected and is responsible for analyzing the Authority's embedded base of personal computers, communications networks, and any other devices that might be vulnerable to problems associated with the turn of the century. At the same time, the staff at the Turnpike concentrated on the development and definition of Y2K Compliance questionnaires to solicit vendor and supplier information that ensures each vendor's ability to continue to supply commodities and support services to the Turnpike after the millenium turns. Similarly, the TAS Department and Law Department developed a warranty certification for all purchases of goods and services procured in 1999 to warrant that the Authority's Y2K interests are protected in those procurements.

Mission critical computer applications such as payroll, computer aided dispatch, toll audit, and toll revenue and collection were thoroughly tested and returned to operation by the Turnpike's Technology and Administrative Services Systems and Programming personnel.

Departmental efforts on Y2K compliance issues and contingency planning are discussed and reviewed on an on-going basis. Individual departments continue to develop Y2K strategies that best fit the needs of the particular department to ensure the delivery of quality public service.



**48
YEARS
OF
OPERATION**

	Revenue		Tolls		Concessions		Other	Total
	Vehicles		Revenue	Mileage	Revenue		Revenue	Revenue
1951	787,195	\$	587,326	38,246,174	\$	32,861	\$ 87	\$ 620,274
1952	17,948,235		16,241,267	765,807,780		1,523,038	65,330	17,829,635
1953	22,005,078		19,192,647	868,606,100		1,853,880	464,102	21,510,629
1954	24,555,441		20,756,344	927,393,967		1,826,777	634,641	23,217,762
1955	25,888,319		21,122,503	939,672,825		1,859,952	923,169	23,905,624
1956	31,588,224		24,513,371	1,064,377,974		2,056,530	1,197,682	27,767,583
1957	39,269,643		29,022,910	1,200,254,680		2,370,516	1,447,014	32,840,440
1958	41,615,115		30,159,491	1,232,527,909		2,400,793	1,554,434	34,114,718
1959	46,199,339		33,317,927	1,343,847,970		2,602,998	1,396,407	37,317,332
1960	49,083,017		35,583,987	1,414,759,197		2,650,147	1,274,321	39,508,455
1961	51,737,682		37,192,652	1,471,802,723		2,649,106	1,156,969	40,998,727
1962	54,900,745		39,240,487	1,560,490,809		2,660,029	1,180,789	43,081,305
1963	56,677,379		40,778,566	1,610,706,177		2,749,777	1,270,264	44,798,607
1964	60,707,631		44,148,839	1,753,074,755		3,436,989	1,446,046	49,031,874
1965	64,957,715		46,122,200	1,856,395,130		3,624,311	1,549,790	51,296,301
1966	69,850,328		48,609,809	1,944,951,873		3,752,280	1,628,281	53,990,370
1967	73,528,656		51,229,549	2,030,844,201		3,976,450	1,642,227	56,848,226
1968	78,205,075		55,339,724	2,138,002,435		4,323,562	1,653,381	61,316,667
1969	80,618,191		57,636,727	2,202,999,403		4,624,406	1,979,854	64,240,987
1970	89,655,299		63,934,463	2,382,332,241		4,959,536	1,949,358	70,843,357
1971	98,533,612		70,124,311	2,574,226,834		5,322,464	1,004,360	76,451,135
1972	107,933,291		75,939,682	2,740,521,973		5,612,148	997,242	82,549,072
1973	110,422,434		78,996,947	2,753,067,671		5,226,934	1,261,793	85,485,674
1974	106,628,059		75,243,082	2,529,483,967		4,924,039	3,062,147	83,229,268
1975	105,632,830		84,385,089	2,583,789,035		5,315,803	6,553,424	96,254,316
1976	109,233,669		91,081,922	2,671,766,280		5,176,767	4,756,959	101,015,648
1977	113,664,015		95,111,786	2,759,241,650		5,232,246	5,026,621	105,370,653
1978	120,622,761		100,837,720	2,885,020,752		5,959,715	5,757,312	112,554,747
1979	121,031,648		100,884,856	2,803,773,003		5,956,116	9,452,586	116,293,558
1980	122,587,520		118,613,863	2,850,062,160		6,013,967	6,700,771	131,328,601
1981	127,211,999		126,188,012	2,930,550,698		5,929,656	13,787,205	145,904,873
1982	132,932,001		129,922,144	3,022,902,748		5,983,228	14,257,360	150,162,732
1983	143,854,884		139,894,904	3,205,540,623		6,521,074	10,047,954	156,463,932
1984	156,029,218		151,913,410	3,442,060,842		7,301,559	12,617,054	171,832,023
1985	167,179,166		162,449,170	3,685,451,718		7,579,995	11,082,401	181,111,566
1986	178,838,750		173,546,512	3,936,120,912		8,620,488	11,138,626	193,305,626
1987	183,166,154		178,969,813	4,077,924,075		10,615,629	18,006,757	207,592,199
1988	190,740,162		185,930,888	4,286,192,726		11,842,410	28,823,443	226,596,741
1989	193,498,385		187,932,292	4,393,225,349		12,498,869	31,219,244	231,650,405
1990	197,167,048		188,730,002	4,450,386,274		12,127,783	28,862,775	229,720,560
1991	185,193,140		285,638,471	4,249,632,696		11,444,972	24,280,732	321,364,175
1992	184,385,900		312,535,187	4,283,210,259		10,848,377	20,139,673	343,523,237
1993	185,067,102		316,519,746	4,325,626,076		11,851,766	12,169,972	340,541,484
1994	188,279,922		321,791,137	4,379,833,147		12,530,375	9,353,245	343,674,757
1995	190,375,343		326,302,916	4,497,441,419		12,515,694	13,213,751	352,032,361
1996	195,830,356		336,341,828	4,606,441,175		14,128,029	19,105,703	369,575,560
1997	202,852,155		350,436,688	4,774,501,073		14,479,345	16,084,301	381,000,334
1998	209,408,270		360,831,625	4,941,083,473		15,341,100	12,825,457	388,998,182

**CONTRACTS
AWARDED
IN 1998
IN EXCESS
OF \$100,000**

PROFESSIONAL ENGINEERING SERVICES

OPS #	Engineer/Architect	Amount
1791	U.S. Water LLC	\$ 793,000
1800	HNTB Corp.	490,000
1771	Parsons Brinckerhoff-FG, Inc.	468,000
1796	Camp Dresser & McKee	450,000
1797	Dames & Moore Inc.	450,000
1798	Groundwater Environmental Services Inc.	450,000
1799	Killam Associates	450,000
1813	Goodkind & O'Dea, Inc.	443,000
1803	Goodkind & O'Dea, Inc.	435,000
1777	Stone & Webster Engr. Corp.	425,000
1776	Goodkind & O'Dea, Inc.	387,200
1812	The RBA Group	310,000
1781	Envirotech Research Inc.	300,000
1801	Hayden/Wegman Consulting Engineers	295,815
1793	Camp Dresser & McKee	275,000
1794	Killam Associates	275,000
1795	URS Greiner Inc.	275,000
1773	Greenman-Pedersen Inc.	269,000
1784	The RBA Group	258,994
1779	Edwards & Kelcey, Inc.	258,000
1783	Goodkind & O'Dea, Inc.	250,000
1785	Goodkind & O'Dea, Inc.	250,000
1782	Parsons Brinckerhoff-FG, Inc.	250,000
1804	Site-Blauvelt Engineers Inc.	209,712
1786	Michael Baker Jr., Inc.	227,000
1772	Site-Blauvelt Engineers Inc.	208,000
1788	Hill International Inc.	200,000
1807	Killam Associates	200,000
1808	Louis Berger & Assocs., Inc.	200,000
1789	Purcell Associates	200,000
1787	Trauner Consulting Services	200,000
1809	URS Greiner Inc.	200,000
1805	Greenman-Pedersen Inc.	184,000
1792	Vollmer Assocs., LLP	139,000
1806	Kupper Associates	115,000
1769	Maguire Group Inc.	103,957

CONSTRUCTION SERVICES

Cont. #	Contractor	Amount
RT130-3	Union Paving & Construction Co., Inc.	\$ 12,237,287.50
R-1318	J. Fletcher Creamer & Son, Inc.	9,966,114.00
R-1299	D'Annunzio & Sons, Inc.	6,706,035.40
R-1315	Bishop-Sanzari A Joint Venture	5,645,490.00
R-1308	Bishop-Sanzari A Joint Venture	5,572,050.00
R-1309	Schiavone Construction Co.	4,348,000.50
RT130-4-1	TAK Construction, Inc.	3,900,000.00
R-1321	Conti Enterprises, Inc.	3,809,383.00
R-1323	Conti Enterprises, Inc.	2,789,862.00
RT130-1	Glasgow, Inc.	2,578,511.81
R-1327	Trap Rock Industries, Inc.	2,431,862.35
R-1328	Crisdel Group, Inc.	2,343,519.23
R-1310	IEW Construction Group, Inc.	1,818,178.70
R-1271	Robert T. Winzinger, Inc.	1,623,000.00
R-1322	Blast All, Inc.	1,539,800.00
R-1335B	J Fletcher Creamer & Son, Inc.	1,151,580.00
R-1270	C. Caruso Excavating, Inc.	958,677.00
R-1335A	J Fletcher Creamer & Son, Inc.	747,475.00
R-1325B	A. C. Schultes, Inc.	666,850.00
R-1295	Anka Painting Company, Inc.	638,000.00
R-1319A-1	J. Fletcher Creamer & Son, Inc.	477,575.00
R-1329	Bishop-Sanzari A Joint Venture	332,276.00
R-1341	Conti Enterprises, Inc.	318,813.00
R-1326	Recon Environmental Corp., dba Levine-Fricke-Recon	300,457.70
W-5026	Applied Landscape Technologies, Inc.	265,965.00
R-1345	IEW Construction Group, Inc.	165,012.00
R-1307	Phoenix General Contracting Co., Inc.	139,000.00
R-1331	Belafsky Roofing & Sheet Metal Co., Inc.	120,950.00

PURCHASING

P.O.#	Vendor	Amount
11846	Mark IV Industries, Ltd.	\$ 5,364,270.00
12558	Mark IV Industries, Ltd.	1,923,102.00
12113	Mark IV Industries, Ltd.	1,584,520.00
11456	Chas. S. Winner, Inc.	
	D/S Winner Ford	1,075,054.00
12469	International Salt Co. LLC	
	The Wellesley Bldg	921,235.68
12066	First Union National Bank	709,075.55
11333	Magnetic Ticket & Label Corp.	631,500.44
11788	Beyer Brothers Corp.	596,372.00
12265	Bull HN Infor. Sys., Inc.	570,179.00
11310	Envirocraft Corporation	485,000.00
12106	Kustom Signals, Inc.	408,540.00
12544	Radiator Specialty	390,700.00
12233	Kustom Signals, Inc.	349,116.00
11778	Trinity Industries	320,300.00
11753	Morey Larue Laundry Co.	210,000.00
11311	Suburban Propane, Inc.	180,000.00
12351	Applied Wastewater	173,580.00
12552	Wigder Chevrolet, Inc.	159,918.00
12027	Mark IV Industries, Ltd.	155,800.00
11458	Warnock Fleet & Leasing, Inc.	139,202.00
11892	Solar Compounds Corp.	133,050.00
12387	Transpo Industries, Inc.	128,000.00
11297	Star Oil Corporation	120,198.75
11698	Compaq Computer Corp.	117,270.00
11709	Gateway 2000, Inc.	113,596.80
11254	Bunzl New Jersey, Inc.	120,000.00

INSURANCE

	Premium
Group Life Insurance	\$ 458,123.00
National Union	433,877.00
General Star	295,000.00
National Union	205,000.00
St. Paul	200,000.00
Royal Indemnity	125,412.00
Commercial Union Life	125,000.00
Reliance National	111,550.00
Gulf Insurance	100,330.00

NEW JERSEY TURNPIKE AUTHORITY

Financial Statements and
Supplementary Information

December 31, 1998 and 1997

(With Independent Auditors' Report Thereon)



Independent Auditors' Report

To the Commissioners
New Jersey Turnpike Authority:

We have audited the accompanying statement of assets, liabilities and fund balances of the New Jersey Turnpike Authority as of December 31, 1998, and the related statements of revenues and expenses for the years ended December 31, 1998 and 1997, and the related statement of changes in fund balances for the year ended December 31, 1998, and the related statement of cost of investment in facilities as of December 31, 1998. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in note 2, the accompanying financial statements were prepared on the modified cash basis of accounting to comply with the provisions of the Authority's 1991 Turnpike Revenue Bond Resolution and on the Authority's interpretation of such resolution, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balances of the New Jersey Turnpike Authority as of December 31, 1998, and its revenues and expenses for the years ended December 31, 1998 and 1997, and changes in its fund balances for the year ended December 31, 1998, and the cost of investment in facilities as of December 31, 1998, on the basis of accounting described in note 2.

Our audits were made for the purpose of forming an opinion on the aforementioned financial statements taken as a whole. The supplementary information included in Schedules 1 through 4, is presented for purposes of additional analysis and is not a required part of the aforementioned financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audits of the aforementioned financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the aforementioned financial statements taken as a whole.

KPMG LLP

January 29, 1999

NEW JERSEY TURNPIKE AUTHORITY

Statements of Revenues and Expenses

Years ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Toll revenue	\$ 360,831,625	350,436,688
Income from investments	10,366,994	12,890,252
Concession revenue	15,341,100	14,479,345
Miscellaneous revenue	2,458,463	3,194,049
Total revenues	388,998,182	381,000,334
Transfer from General Reserve Fund	44,071,362	-
Transfer from Debt Reserve Fund (note 6)	-	72,805,768
Total revenues and interfund transfers from General Reserve Fund and Debt Reserve Fund	433,069,544	453,806,102
Operating expenses:		
Executive office	1,321,417	1,090,641
Communications	300,792	417,342
Law	1,011,897	974,601
Finance and Budgets	2,226,158	2,057,136
Human Resources	1,802,687	1,530,619
Technology and Administrative Services	6,322,303	6,547,899
Operations	2,436,477	2,213,683
State Police	19,015,928	20,014,968
Toll Collection	56,936,053	55,329,189
Maintenance	34,079,287	33,391,788
Engineering	1,891,126	1,735,364
Non-departmental	6,465,842	5,126,372
Employee benefits	27,070,741	26,905,089
Snow	645,242	2,373,443
Cash discounts	(3,899)	(8,444)
Total operating expenses	161,522,051	159,699,690
Revenues and interfund transfers from General Reserve Fund and Debt Reserve Fund in excess of operating expenses before net debt service	271,547,493	294,106,412
Debt service:		
Interest expense:		
Turnpike Revenue Bonds, Series 1991 A	21,132,900	22,584,300
Turnpike Revenue Bonds, Series 1991 C	79,083,623	79,224,698
Turnpike Revenue Bonds, Series 1991 D	22,964,900	22,964,900
Turnpike Revenue Bonds, Series 1992 A	36,168,070	38,558,510
Transfer to Debt Service Fund	77,460,000	72,635,000
Transfer to Charges Fund	1,113,000	1,113,000
Total debt service	237,922,493	237,080,408
Less interest from Construction Fund	17,418,000	16,018,000
Net debt service	220,504,493	221,062,408
Revenues and interfund transfers from General Reserve Fund and Debt Reserve Fund in excess of operating expenses and net debt service	51,043,000	73,044,004
Interfund transfers:		
To Special Project Reserve Fund	(14,500,000)	(18,500,000)
To Maintenance Reserve Fund	(24,543,000)	(24,062,000)
To State Payment Fund	(12,000,000)	(12,000,000)
Revenues and interfund transfers from General Reserve Fund and Debt Reserve Fund in excess of operating expenses, net debt service and interfund transfers	-	18,482,004
To General Reserve Fund	-	(18,482,004)
	\$ -	-

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY

Statement of Assets, Liabilities and Fund Balances

December 31, 1998
(with comparative total figures for 1997)

Assets	Funds held by Authority					Funds held by Trustees	Totals (note 2)	
	Revenue Fund	Construction Fund	Maintenance Reserve Fund	Special Project Reserve Fund	General Reserve Fund	Debt Service Fund	1998	1997
Cash	\$ 30,497,887	377,670	35,793	81,918	54,381	19,157	31,066,806	14,692,924
Investments (note 3)	67,342,968	225,115,742	3,638,301	24,485,132	30,774,085	151,351,731	502,707,959	603,758,483
Receivables	6,731,459	3,396,201	-	627,567	-	-	10,755,227	7,866,874
Interfund accounts, net	(2,520,067)	(176,611)	(49,020)	(68,334)	2,814,134	(102)	-	-
Deposits in condemnation	-	3,620,467	-	23,750	-	-	3,644,217	2,158,682
Cost of investment in facilities	-	3,286,736,500	-	-	-	-	3,286,736,500	3,236,901,329
Other assets	-	63,670	-	-	-	-	63,670	63,670
Total assets	\$ 102,052,247	3,519,133,639	3,625,074	25,150,033	33,642,600	151,370,786	3,834,974,379	3,865,441,962
Liabilities and Fund Balances								
Liabilities:								
Accrued interest payable	-	-	-	-	-	73,910,786	73,910,786	76,333,722
Withholdings from employees	786,301	-	-	-	-	-	786,301	676,334
Deferred compensation (note 5)	51,465,643	-	-	-	-	-	51,465,643	46,536,054
Amounts retained from contractors and engineers	-	3,106,421	1,683,638	1,224,876	-	-	6,014,935	4,826,051
Other liabilities (note 3)	10,713,603	288,860	227,072	139,503	-	-	11,369,038	8,352,328
Bond indebtedness (note 4):								
Turnpike Revenue Bonds, Series 1991 A	-	320,520,000	-	-	-	-	320,520,000	344,710,000
Turnpike Revenue Bonds, Series 1991 C	-	1,234,730,000	-	-	-	-	1,234,730,000	1,237,205,000
Turnpike Revenue Bonds, Series 1991 D	-	371,000,000	-	-	-	-	371,000,000	371,000,000
Turnpike Revenue Bonds, Series 1992 A	-	612,255,000	-	-	-	-	612,255,000	658,225,000
Turnpike Revenue Bonds, Series 1992 B	-	45,967,164	-	-	-	-	45,967,164	43,138,473
Total liabilities	62,965,547	2,587,867,445	1,910,710	1,364,379	-	73,910,786	2,728,018,867	2,791,002,962
Fund balances:								
Applied to retirement of bond indebtedness	-	-	-	-	-	77,460,000	77,460,000	72,635,000
Balances retained	39,086,700	931,266,194	1,714,364	23,785,654	33,642,600	-	1,029,495,512	1,001,804,000
Total fund balances	39,086,700	931,266,194	1,714,364	23,785,654	33,642,600	77,460,000	1,106,955,512	1,074,439,000
Commitments and contingent liabilities (notes 7, 8 and 9)								
Total liabilities and fund balances	\$ 102,052,247	3,519,133,639	3,625,074	25,150,033	33,642,600	151,370,786	3,834,974,379	3,865,441,962

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY

Statement of Changes in Fund Balances

Year ended December 31, 1998
(with comparative total figures for 1997)

	Funds held by Authority						Funds held by Trustees		Totals (note 2)	
	Revenue	Construction	Maintenance	Special	General	State	Charges	Debt		
	<u>Fund</u>	<u>Fund</u>	<u>Reserve</u>	<u>Project</u>	<u>Reserve</u>	<u>Payment</u>	<u>Fund</u>	<u>Service</u>	<u>1998</u>	<u>1997</u>
Balance (deficit) as of beginning of year	\$ 39,086,700	858,631,194	1,624,227	24,759,782	77,713,962	-	(11,865)	72,635,000	1,074,439,000	1,051,608,844
Add (deduct):										
Revenues and interfund transfer from General Reserve Fund in excess of operating expenses before net debt service	271,547,493	-	-	-	(44,071,362)	-	-	-	227,476,131	221,300,644
Transfers to fund bond interest expense	(141,931,493)	(17,418,000)	-	-	-	-	-	159,349,493	-	-
Bond interest expense	-	-	-	-	-	-	-	(159,349,493)	(159,349,493)	(163,332,408)
Capitalization of interest	-	17,418,000	-	-	-	-	-	-	17,418,000	16,018,000
Payment of other charges	-	-	(24,452,863)	(15,474,128)	-	-	(1,101,135)	-	(41,028,126)	(39,156,080)
Revenue fund transfers	(52,156,000)	-	24,543,000	14,500,000	-	12,000,000	1,113,000	-	-	-
Sinking fund payment	-	72,635,000	-	-	-	-	-	(72,635,000)	-	-
Sinking fund transfers	(77,460,000)	-	-	-	-	-	-	77,460,000	-	-
Required payment to the State of New Jersey	-	-	-	-	-	(12,000,000)	-	-	(12,000,000)	(12,000,000)
Balance as of end of year	\$ 39,086,700	931,266,194	1,714,364	23,785,654	33,642,600	-	-	77,460,000	1,106,955,512	1,074,439,000

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY

Statement of Cost of Investment in Facilities

Year ended December 31, 1998
(with comparative total figures for 1997)

		Original Turnpike extensions and additional lanes	Revenues invested in facilities	1966 Turnpike Improvement	1971 Turnpike Improvement	1973 Improvement and Funding Program	1977 Turnpike System Revenue Bond Accounts	1984 Turnpike Revenue Bonds	1985-1990 Widening Project	Refunding of 1984 bonds	Business Plan for the 90's	Totals	
												1998	1997
Engineering and architectural	\$	28,083,278	12,125,827	32,051,535	11,566,356	18,997,183	-	-	153,068,194	-	96,154,900	352,047,273	348,922,628
Land, easements and rights-of-way, net of recoveries		25,771,162	6,073,263	28,704,263	4,074,507	7,013,092	-	-	24,713,537	-	417,373,282	513,723,106	512,265,386
Construction, including cost of training and equipping operating personnel, machinery and equipment and miscellaneous pre-operating expenses		371,398,653	69,099,391	390,553,355	103,797,024	30,811,393	-	-	386,016,061	-	532,328,258	1,884,004,135	1,845,514,819
Other costs, including administration		1,869,763	164,427	2,770,920	181,599	307,851	-	-	19,331,429	-	46,363,489	70,989,478	66,143,782
Financial		27,036,417	165,271	245,668,754	22,512,061	23,615,247	12,874,128	67,745,398	594,000,850	7,988,081	554,094,837	1,555,701,044	1,534,125,265
		454,159,273	87,628,179	699,748,827	142,131,547	80,744,766	12,874,128	67,745,398	1,177,130,071	7,988,081	1,646,314,766	4,376,465,036	4,306,971,880
Less income from interim investment of construction funds		(7,763,714)	(3,929)	(82,042,352)	(19,485,504)	(46,808,678)	-	-	(653,015,748)	-	(280,608,611)	(1,089,728,536)	(1,070,070,551)
	\$	446,395,559	87,624,250	617,706,475	122,646,043	33,936,088	12,874,128	67,745,398	524,114,323	7,988,081	1,365,706,155	3,286,736,500	3,236,901,329

See accompanying notes to financial statements.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

(1) Organization and Function of the New Jersey Turnpike Authority

The New Jersey Turnpike Authority (the Authority) is a body corporate and politic created by the New Jersey Turnpike Authority Act of 1948, as amended and supplemented (the Act). The Act authorizes the Authority to construct, maintain, repair and operate the New Jersey Turnpike (the Turnpike System) projects at locations established by law and to issue Turnpike revenue bonds or notes of the Authority, subject to prior approval in writing from the Governor and from either or both the State Treasurer and the Director of the Division of Budget and Accounting of the Department of the Treasury, payable solely from tolls and other revenues of the Authority. Under the provisions of the Act, the Turnpike bonds or notes and the interest thereon shall not be deemed to constitute a debt or liability or a pledge of the faith and credit of the State or any political subdivision thereof.

The Authority's financial statements are included in the State of New Jersey's Comprehensive Annual Financial Report.

All revenues of the Turnpike System are required to be deposited by the Authority in the Revenue Fund, to be applied in accordance with the provisions of the Turnpike Revenue Bond Resolution, adopted August 20, 1991, as amended, restated and supplemented (the Bond Resolution).

(2) Summary of Significant Accounting Policies

Nature of funds

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. Resources are allocated to and accounted for in the individual funds based upon the provisions of the Bond Resolution. The various funds are as follows:

- Revenue Fund - the Revenue Fund is the general operating fund of the Authority. It is used to account for all of the operating revenues and expenses.
- Construction Fund - the Construction Fund is used to account for financial resources to be used for cost of investment in facilities. Included in this fund are the proceeds from the issuance of Turnpike Revenue Bonds in 1991 and 1992 (see note 4), and unexpended moneys related to projects authorized by previous bond issues.
- Maintenance Reserve Fund - amounts in this fund may be applied to the cost of major resurfacing, replacement, repairs, renewals or reconstruction of the Turnpike System.
- State Payment Fund - this fund is used to account for the moneys that are to be applied to payments required to be made to the State pursuant to the terms of an agreement between the State and the Authority (see note 7).

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

- Special Project Reserve Fund - amounts in this fund may be applied to the cost of one or more special projects or additional projects. On an annual basis, the Special Project Reserve Fund is replenished up to the amount of the Special Project Reserve Requirement (\$40,000,000 for 1998 and \$45,000,000 for 1999). The required funding is determined by projecting the ending fund balance and comparing it to the Special Project Reserve Requirement. The difference is funded in 12 equal installments over the next fiscal year. The Special Project Reserve Requirement increases in years subsequent to 1998 in accordance with the requirements of the Bond Resolution to a maximum amount of \$50,000,000.
- General Reserve Fund - amounts in the General Reserve Fund are to be used to make up deficiencies in the Revenue Fund, the Debt Service Fund, the Debt Reserve Fund, the Charges Fund, the Maintenance Reserve Fund, the State Payment Fund and the Special Project Reserve Fund. Subject to certain terms, amounts in this fund which are not required to remedy any such deficiency may be applied to (a) the purchase or redemption of any bonds and expenses in connection therewith; (b) payment of principal and interest due upon redemption of variable rate debt, commercial paper and subordinated indebtedness, if any; (c) payments into the Construction Fund; (d) improvements, extensions, betterments, renewals and replacements of the Turnpike System or the provisions of reserves for these purposes; (e) payments into the Revenue Fund; and (f) any other corporate purpose, including but not limited to, additional required State payments, if any.
- Charges Fund - this fund is used to pay (a) fees and charges paid to a financial institution under a letter of credit and related reimbursement agreement, line of credit, standby bond purchase agreement or similar agreement; (b) fees and charges paid to the remarketing agent of the Series 1991 D bonds; and (c) fees and charges paid to the tender agent of the Series 1991 D bonds, but only to the extent that the Authority determines the foregoing amounts shall not be paid as operating expenses.
- Debt Service Fund - this fund accumulates the amounts required for (a) payment of interest and maturing principal amounts on all outstanding Turnpike revenue bonds when due; (b) payment of the redemption price and accrued interest on the bonds to be redeemed; and (c) payment of the purchase price of bonds purchased through application of moneys accumulated in this fund by reason of the payment of any sinking fund installment.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

- Debt Reserve Fund - amounts in this fund are to be applied to make up any deficiency in the Debt Service Fund. The Bond Resolution provides that as a condition to the issuance of each series of 1991 and 1992 bonds there shall be deposited in the Debt Reserve Fund the amount, if any, necessary so that the amount in such fund equals the Debt Reserve Requirement calculated immediately after the issuance of such series of 1991 and 1992 bonds. The Debt Reserve Requirement is equal to the greatest amount of interest accruing on the outstanding bond indebtedness in any one year, subject to certain provisions set forth in the Bond Resolution (see note 4).

Whenever the moneys and securities on deposit in the Debt Reserve Fund, together with the amount in the Debt Service Fund, are sufficient to pay in full all outstanding bonds in accordance with their terms, the funds on deposit in the Debt Reserve Fund are to be transferred to the Debt Service Fund.

The Authority may deposit a surety bond, insurance policy or letter of credit payable to the Trustees of the bonds in an amount equal to the difference between the Debt Reserve Requirement and amounts deposited in the Debt Reserve Fund, subject to conditions provided for in the Bond Resolution (see notes 4 and 6).

Basis of presentation

Accounts of the Authority are maintained in accordance with the practices set forth herein, which are based on the provisions of the Bond Resolution and on the Authority's interpretation of the Bond Resolution. The significant practices, the first two of which differ in material respects from generally accepted accounting principles, are as follows:

- Depreciation of the Turnpike System and related facilities is not included as an operating expense or otherwise provided.
- Transfers from the Construction Fund and Debt Reserve Fund to the Revenue Fund and from the Revenue Fund to the Special Project Reserve Fund, Maintenance Reserve Fund, and State Payment Fund are presented in the statement of revenues and expenses.
- Cost of investment in facilities are generally recorded when paid except for amounts payable to contractors and engineers that are withheld (as retainage) which are recorded when incurred. Income on unexpended construction funds is credited to cost of investment in facilities when received.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

- Cost of investment in facilities also include expenses in connection with the offering, selling, and issuance of bonds and notes; discount on the sale of bonds and notes; costs of issuing and refunding bonds; costs of certain real estate in excess of right-of-way requirements which may be sold and the proceeds applied in reduction of construction costs; certain interest on bonds and notes (less income received on unexpended construction funds); and administrative, legal and certain insurance expenses incurred during the construction period.
- Toll revenues are generally recorded when received except for toll revenues received under the commercial vehicle charge account program which are recorded on the accrual basis.
- Income on investments and from concessions is recorded when received. Investments which mature within one year are valued at cost (which approximates fair value) and investments with a maturity date in excess of one year from date of purchase are recorded at amortized value.
- Other income and receipts, from whatever source derived, are recorded as revenue when received.
- Operating expenses are recorded when paid except for reserves for general liability insurance claims for which the Authority is self-insured, unemployment insurance premiums withheld from employees, and certain other reasonable and necessary operating expenses which do not recur annually.
- Interest on bond indebtedness is recorded on the accrual basis.
- Costs for major repairs, replacements or maintenance items of a type not recurring annually or at shorter intervals and costs for major resurfacing, replacement, repairs, renewals or reconstruction of the Turnpike System are recorded when paid except for amounts payable to contractors and engineers that are withheld (as retainage). Such costs are included in other charges in the accompanying statement of changes in fund balances.

“Total” columns contain the totals of the similar accounts of the various funds. Since the assets of the funds are restricted, the combination of the accounts, including the assets therein, is for comparison only and does not indicate that the combined assets are available in any manner other than that provided for in the Bond Resolution.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

(3) Investments

As of December 31, 1998, investments consist of the following:

Repurchase agreements	\$ 10,650,000
Commercial paper	101,837,808
U.S. Treasury backed Federal agency discount notes	338,754,508
Other investments (deferred compensation plan mutual funds)	<u>51,465,643</u>
	<u>\$ 502,707,959</u>

As of December 31, 1998, all of the commercial paper investments are rated at least A1, P1 and mature within a period of sixty days.

Included in the December 31, 1998 investment balance in the accompanying statement of assets, liabilities and fund balances is approximately \$2.8 million of funds to satisfy general liability insurance claims for which the Authority is self-insured, approximately \$3.9 million of funds which are designated to satisfy unemployment insurance claims and approximately \$4.0 million of funds designated for other obligations of the Authority all of which are included as "other liabilities" of the Revenue Fund.

(4) Bond Indebtedness

Under the Authority's Plan of Finance, Turnpike Revenue Bonds in an aggregate principal amount totaling approximately \$2.9 billion were issued in 1991 and 1992. This resulted in the refunding or defeasance of all outstanding Turnpike Revenue Bonds, Series 1984 and 1985, and the funding of capital projects contained in the Plan of Finance.

As of December 31, 1998, bond indebtedness consists of the following:

Turnpike Revenue Bonds:	
Series 1991 A, due 1/1/94 to 2003, 1/1/2008 and 1/1/2014 with interest at 5.25% to 6.90%	\$ 320,520,000
Series 1991 C, due 1/1/94 to 2011, 1/1/2013 and 1/1/2016 with interest at 4.80% to 6.50%	1,234,730,000
Series 1991 D, due 1/1/2018 with interest at 6.19% under an interest rate swap agreement (see below)	371,000,000
Series 1992 A, due 1/1/96 to 2006, 1/1/2012 and 1/1/2018 with interest at 4.80% to 6.20%	612,255,000
Series 1992 B, due 1/1/2000 to 2012 with yields to maturity at 6.10% to 6.70% (see below)	<u>45,967,164</u>
	<u>\$ 2,584,472,164</u>

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

For the Series 1991 C bonds maturing in 2007 and 2013, the Series 1991 D bonds maturing in 2018 and the Series 1992 B bonds, principal and interest payments are insured on the stated maturity and interest payment dates through municipal bond insurance.

Interest on all outstanding bond indebtedness, except for capital appreciation bonds (see below) is payable semiannually on each January 1 and July 1. Unless converted to a fixed interest rate, the Series 1991 D bonds pay interest to bondholders at a variable weekly interest rate (3.75% as of December 31, 1998) subject to a maximum rate of 12%. Regardless of whether the Series 1991 D bondholders are paid a variable rate or a fixed rate, under an interest rate swap agreement with a financial institution, the Authority will pay interest at a fixed rate of 6.19% for the entire term of the Series 1991 D bonds.

The Series 1992 B bonds, which are capital appreciation bonds, were originally issued in the amount of \$30,016,972 and are reported at their accreted value of \$45,967,164 as of December 31, 1998, and mature annually from January 1, 2000 through January 1, 2012 at accreted values aggregating \$70,200,159.

Series 1991 A, Series 1991 C and Series 1992 A bonds in the principal amount of \$840,600,000 are subject to mandatory redemption prior to maturity in specified principal amounts and such bonds in the principal amount of \$723,975,000 are subject to optional redemption prior to maturity at varying redemption prices. The Series 1992 B bonds are not subject to mandatory or optional redemption prior to maturity. If converted to a fixed interest rate, the Series 1991 D bonds are subject to mandatory redemption prior to maturity in specified principal amounts. The Series 1991 D bonds are also subject to optional redemption prior to maturity.

All bonds outstanding under the Bond Resolution, together with amounts owed under the interest rate swap agreement, are secured on a parity by a pledge of Net Revenues of the Authority senior in priority to any other Authority obligations secured by such net revenues. The off balance sheet risk associated with this interest rate swap agreement between the Authority and AIG Financial Products Corp., which is not reflected in the accompanying statement of assets, liabilities and fund balances as of December 31, 1998, is a termination payment. This payment, which under certain circumstances could be a substantial amount, would be required to be made by the Authority, if the Authority opted to cancel this agreement. However, the Authority does not intend to terminate this agreement.

To meet the Debt Reserve Requirement (see note 2) as of December 31, 1998, the Authority maintained insurance policies with a face amount of \$97,760,585 and a surety bond with a payment limit of \$72,809,446.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

The Bond Resolution provides that revenues or other funds not required to secure the Authority's outstanding bond indebtedness or for payment to the New Jersey Transportation Trust Fund Authority (see note 7) are required to be applied to the Authority's corporate purposes or as may be provided by law in the future.

The following table sets forth as of December 31, 1998 payments of principal (through sinking fund installments) and interest to be made to the Debt Service Fund from the Revenue Fund on all outstanding bonds of the Authority for the next five years and thereafter (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1999	\$ 80,363	158,092	238,455
2000	85,537	153,836	239,373
2001	91,361	149,174	240,535
2002	97,865	144,060	241,925
2003	104,548	138,422	242,970
Thereafter	<u>2,031,388</u>	<u>1,119,634</u>	<u>3,151,022</u>
	<u>\$ 2,491,062</u>	<u>1,863,218</u>	<u>4,354,280</u>

The Authority has covenanted that it will charge and collect such tolls and other charges as shall be required in order that in each calendar year net revenues (as defined) shall at least equal the greater of (1) the sum of the aggregate debt service on all outstanding bonds, maintenance reserve payments, state payments and special project reserve payments and payments, if any, to the charges fund for each calendar year; or (2) 1.20 times the sum of the aggregate debt service on all outstanding bonds, for each calendar year. Net revenues with required transfers were sufficient to satisfy the most restrictive toll covenant requirements for 1998.

(5) Pension and Deferred Compensation

Employees of the Authority are covered by the Public Employees Retirement System (PERS) of the State of New Jersey. Pension plan contributions, amounting to \$6,013,909 in 1998 and \$6,235,199 in 1997, are based on annual billings received from PERS. Authority employees are also covered by the Federal Social Security Act.

In 1980, the Authority established the Employees Deferred Compensation Plan. All permanent employees are eligible to participate in the plan, which permits participants to defer annually a portion of their salary. The Authority does not make any contributions to the plan. As of December 31, 1998, plan assets of \$51,465,643 are included in the accompanying statement of assets, liabilities and fund balances as they are considered to be assets and liabilities of the Authority until disbursement. The plan assets are self directed by employees of the Authority within the available options provided by the third-party administrator.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

In 1999, in accordance with a change in the Internal Revenue Code, the Authority intends to amend the plan to establish an exclusive benefit trust whereby all plan investments are held for the exclusive benefit of the plan's participants and beneficiaries and are not subject to the claims of the Authority's general creditors.

(6) Transfer from Debt Reserve Fund

In February, 1997, the Authority entered into a debt service reserve surety bond agreement with MBIA Insurance Corporation (MBIA). In consideration of the payment of a premium in the amount of \$2,148,000, MBIA guarantees the principal and interest payments of the Turnpike Revenue Bonds Series 1991 C, Series 1992 A, and Series 1992 B in an amount not to exceed \$72,809,446. Investment securities maintained in the Debt Reserve Fund at the time of the execution of the surety bond agreement had a carrying value of \$74,953,768.

In accordance with the Bond Resolution, the Authority may maintain a surety bond or insurance policy payable to the Trustee in lieu of the required deposits in the Debt Reserve Fund. Whenever the moneys and investment securities on deposit in the Debt Reserve Fund exceed the Debt Reserve Requirement, the excess is to be withdrawn and applied as pledged revenues in the Revenue Fund.

Accordingly, the investment securities maintained in the Debt Reserve Fund at the time of the execution of the surety bond agreement, less the surety bond premium, or \$72,805,768, was transferred to the Revenue Fund during 1997.

(7) Commitments and Contingent Liabilities

In addition to commitments in the normal course of business, the Authority is contingently liable under pending lawsuits and claims in which the Authority is named a defendant, relating primarily to construction claims and environmental matters. In the opinion of the Authority, the aggregate liability of such actions would not materially affect its financial statements and sufficient funds are available in the construction accounts to satisfy payments in connection therewith.

Under the terms of an agreement dated April 27, 1984 and an amendment dated August 1, 1995, the Authority agreed to make annual payments to the State of New Jersey to assist in transportation purposes. These payments, which aggregate \$12,000,000 annually, are due until all obligations of the New Jersey Transportation Trust Fund Authority as set forth in the 1995 Amendments are paid or such payment has been provided for. The payments to the State of New Jersey are subordinate to debt service payments under all outstanding bonds.

The Authority is committed under contracts related to the business plan for the 90's. The contracts are primarily construction contracts and the open commitments totaled approximately \$63,285,000 as of December 31, 1998.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

(8) Electronic Toll Collection Project

On March 10, 1998, the New Jersey Turnpike Authority, as the lead agency of a regional consortium consisting of the Port Authority of New York and New Jersey, the State of Delaware, the New Jersey Turnpike Authority, the South Jersey Transportation Authority and the New Jersey Highway Authority, entered into a project agreement with MFS Network Technologies, Inc., as contractor, for the purpose of receiving from such contractor the services associated with the implementation of an integrated electronic toll collection system, a fiber optic system, and a customer service center for processing tolls transactions and a related violations processing center (the Project).

To finance certain of the costs of the Project, the New Jersey Economic Development Authority issued \$300 million of its taxable economic development transportation bonds ("EDA bonds"). The EDA bonds are payable from certain amounts other than tolls, including amounts received by the consortium members principally consisting of administrative fees resulting from toll violations and rents from the leasing of portions of the fiber optic system developed as a part of the Project and, subject to the requirements of each of such consortium member's bond covenants, paid to a Project Fund. To the extent that amounts in the Project Fund are not sufficient to pay approved expenses relating to principal and interest on the EDA bonds, each consortium member has agreed, under a true-up agreement with the New Jersey Economic Development Authority, generally, to pay, subject to the requirements of such member's bond covenants on March 7, 2008, or earlier in connection with the occurrence of certain consortium member events of default. The true-up agreement provides for a proportional allocation of liability for the payment of true-up amounts amongst the consortium members, initially, on the following basis: the Port Authority of New York and New Jersey - 13%; the State of Delaware - 4%, the New Jersey Turnpike Authority - 48%; the South Jersey Transportation Authority - 3%; and the New Jersey Highway Authority - 32%. This proportional allocation of liability amongst the consortium members is subject to adjustment under the true-up agreement. The New Jersey Turnpike Authority shall review the Project fund balances during the operational phase of the Project and establish a reserve if it is projected that a liability will exist on March 7, 2008. The base case financial model for the Project does not project a liability on March 7, 2008.

Generally, when the EDA bonds are discharged, other reimbursements to consortium members have been made and an operating reserve established, the contractor is entitled to additional payments of net project fund balances to be determined on a formula basis, with the remainder of such net project fund balances to be disbursed to the consortium members.

NEW JERSEY TURNPIKE AUTHORITY

Notes to Financial Statements

December 31, 1998 and 1997

(9) Year 2000 Compliance

The New Jersey Turnpike Authority is aware of the issues associated with information technology as the millennium (year 2000) approaches. The Year 2000 Compliance issue addresses whether computer systems will properly recognize date-sensitive information when the year changes to 2000. Computer systems that do not properly recognize such information could generate erroneous data or cause a system to fail.

The Authority is utilizing both internal and external resources to identify, correct or reprogram, and test the computer systems for the Year 2000 Compliance. It is anticipated that all reprogramming efforts will be complete by June 30, 1999, allowing adequate time for testing.

To date, mainframe computers have been assessed and tested for Year 2000 Compliance. The Authority is using the services of an outside consultant to address Year 2000 Compliance as it pertains to networked personal computers and embedded devices.

In addition, the Authority is surveying vendors to determine if plans are being developed to address processing of transactions in the year 2000. However, there can be no assurance that computer systems of other entities on which the Authority relies will be converted in a timely fashion or what the impact of any such failure to convert by another entity would have on the Authority's operation. The Authority is preparing contingency plans in the event that critical vendors are unable to deliver goods and/or services on January 1, 2000.

NEW JERSEY TURNPIKE AUTHORITY

Schedule of Investments

December 31, 1998

	<u>Interest rate</u>	<u>Maturity</u>	<u>Par value</u>	<u>Carrying value</u>
Revenue Fund:				
Other (note A)	Various	Various	\$ 15,903,000	15,877,325
Deferred compensation plan:				
Mutual funds	N/A	N/A	<u>51,465,643</u>	<u>51,465,643</u>
			67,368,643	67,342,968
Construction Fund:				
Other (note A)	Various	Various	226,903,788	225,115,742
Maintenance Reserve Fund:				
Federal Home Loan Bank discount note	4.20%	January 4, 1999	3,640,000	3,638,301
Special Project Reserve Fund:				
Other (note A)	Various	Various	24,609,592	24,485,132
General Reserve Fund:				
Other (note A)	Various	Various	30,798,445	30,774,085
Debt Service Fund:				
Other (note A)	Various	January 4, 1999	<u>151,446,000</u>	<u>151,351,731</u>
Total investments			<u>\$ 504,766,468</u>	<u>502,707,959</u>

Notes:

- (A) Includes Federal National Mortgage Association discount notes, Federal Home Loan Mortgage Corporation discount notes, Federal Home Loan Bank discount notes, Federal Farm Credit discount notes Short-Term Repurchase Agreements and Commercial paper (rated at least A1, P1) . These securities bear annual interest rates of 4.20% to 5.95% and mature periodically from January 4, 1999 through February 10, 1999.

NEW JERSEY TURNPIKE AUTHORITY

Schedule of Cash Receipts and Disbursements

Year ended December 31, 1998

	Funds held by Authority						Funds held by Trustees		Total
	Revenue Fund	Construction Fund	Maintenance Reserve Fund	Special Project Reserve Fund	General Reserve Fund	State Payment Fund	Charges Fund	Debt Service Fund	
Cash balances, December 31, 1997	\$ 13,433,324	334,448	615,282	278,330	9,025	-	-	22,515	14,692,924
Receipts:									
Revenues	388,998,182	-	-	-	-	-	-	-	388,998,182
Transfers from Revenue Fund	(271,547,493)	-	24,543,000	14,500,000	-	12,000,000	1,113,000	219,391,493	-
Net change in investments	22,017,236	51,513,486	361,610	1,114,868	28,448,848	-	-	(2,405,524)	101,050,524
Net change in receivables	(66,304)	(3,020,069)	-	198,020	-	-	-	-	(2,888,353)
Net change in other assets	-	(1,485,535)	-	-	-	-	-	-	(1,485,535)
Income on Construction Fund investments	-	19,657,985	-	-	-	-	-	-	19,657,985
Transfer of funds, net	31,035,397	(18,014,587)	(1,460,814)	(562,741)	(28,403,492)	-	(11,865)	17,418,102	-
Total receipts	170,437,018	48,651,280	23,443,796	15,250,147	45,356	12,000,000	1,101,135	234,404,071	505,332,803
Disbursements:									
Operating disbursements	161,522,051	-	24,452,863	15,474,128	-	-	1,101,135	-	202,550,177
Interest on bond indebtedness	-	-	-	-	-	-	-	161,772,429	161,772,429
Debt service requirement	-	-	-	-	-	-	-	72,635,000	72,635,000
Payments to State of New Jersey	-	-	-	-	-	12,000,000	-	-	12,000,000
Cost of construction, studies, major repairs and other purchases	-	49,246,465	-	-	-	-	-	-	49,246,465
Net change in current liabilities	(8,149,596)	(638,407)	(429,578)	(27,569)	-	-	-	-	(9,245,150)
Total disbursements	153,372,455	48,608,058	24,023,285	15,446,559	-	12,000,000	1,101,135	234,407,429	488,958,921
Cash balances, December 31, 1998	\$ 30,497,887	377,670	35,793	81,918	54,381	-	-	19,157	31,066,806

	Cash balance	Market value of securities pledged to secure deposits
Cash balances:		
Toll collectors and other imprest funds	\$ 402,226	-
First Union	27,874,461	56,768,460
Summit Bank	2,123,022	15,109,400
Bank of New York	667,097	5,103,150
	\$ 31,066,806	76,981,010

NEW JERSEY TURNPIKE AUTHORITY

Schedule of Bond Indebtedness

December 31, 1998

	<u>Original amount authorized and issued</u>	<u>Refunded or acquired and canceled in prior year</u>	<u>Mandatory redemption/sinking fund installments</u>	<u>Accretion of capital appreciation bonds</u>	<u>Amount outstanding December 31, 1998</u>
Turnpike revenue bonds:					
Series A, 4.75% (1966 issue), maturing January 1, 2006	\$ 179,000,000	(179,000,000)	-	-	-
Series A, 5.12% (1968 issue), maturing January 1, 2008	75,000,000	(75,000,000)	-	-	-
Series C, 5.20% (1968 issue), maturing January 1, 2008	125,000,000	(125,000,000)	-	-	-
Series D, 5.75% (1969 issue), maturing January 1, 2008	60,000,000	(60,000,000)	-	-	-
Series E, 5.87% (1969 issue), maturing January 1, 2008	40,000,000	(40,000,000)	-	-	-
Series F, 7% (1969 issue), maturing January 1, 2009	137,000,000	(137,000,000)	-	-	-
Series G, 5.75% (1972 issue), maturing January 1, 2009	155,100,000	(155,100,000)	-	-	-
	<u>771,100,000</u>	<u>(771,100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Turnpike improvement revenue bonds:					
First series, 5.70% (1973 issue), maturing May 1, 2013	210,000,000	(210,000,000)	-	-	-
General revenue bonds:					
Turnpike revenue bonds (1950 issue), 3.25%, matured January 1, 1985	220,000,000	(220,000,000)	-	-	-
Turnpike revenue bonds (1951 issue), 3.20%, matured January 1, 1986	35,000,000	(35,000,000)	-	-	-
	<u>255,000,000</u>	<u>(255,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Second series revenue bonds	211,200,000	(211,200,000)	-	-	-
Turnpike notes:					
Series A, 4.62% (1971 issue), matured January 1, 1975	125,500,000	(125,500,000)	-	-	-
Turnpike system revenue bonds:					
First series, 6% (refunding issue), maturing January 1, 2014	202,415,000	(202,415,000)	-	-	-
Turnpike revenue bonds:					
1984 Series, 6.75% to 12%, maturing January 1, 2003 through 2014	501,825,000	(501,825,000)	-	-	-
Turnpike revenue bonds:					
1985 series, bi-modal multi-term format (BMTF):					
Mode 1 (tender dates ranging from one week to July 2, 1990)	2,000,000,000	(2,000,000,000)	-	-	-
Mode A (tender dates ranging from one week to January 1, 2018)	1,000,000	(1,000,000)	-	-	-
	<u>2,001,000,000</u>	<u>(2,001,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
1985 series, Mode A, 7.2% maturing January 1, 2018	2,000,000,000	(2,000,000,000)	-	-	-

NEW JERSEY TURNPIKE AUTHORITY

Schedule of Bond Indebtedness

December 31, 1998

	Original amount authorized and issued	Refunded or acquired and canceled in prior year	Mandatory redemption/sinking fund installments	Accretion of capital appreciation bonds	Amount outstanding December 31, 1998
Turnpike revenue bonds:					
Series 1991 A, 5.25% to 6.90%, maturing January 1, 1994 through 2003, January 1, 2008 and January 1, 2014	\$ 423,205,000	-	(102,685,000)	-	320,520,000
Series 1991 B, 4.45% to 5.25%, maturing January 1, 1994 and January 1, 1995	79,340,000	-	(79,340,000)	-	-
Series 1991 C, 4.80% to 6.50%, maturing January 1, 1994 through 2011, January 1, 2013 and January 1, 2016	1,247,850,000	-	(13,120,000)	-	1,234,730,000
Series 1991 D, (interest at 6.19% under an interest rate swap agreement) maturing January 1, 2018	371,000,000	-	-	-	371,000,000
Series 1992 A, 4.80% to 6.20%, maturing January 1, 1996 through 2006, January 2012 and January 1, 2018	741,110,000	-	(128,855,000)	-	612,255,000
Series 1992 B, capital appreciation bonds, maturing January 1, 2000 through 2012 with yields to maturity at 6.10% to 6.70%	30,016,972	-	-	15,950,192	45,967,164
	<u>2,892,521,972</u>	<u>-</u>	<u>(324,000,000)</u>	<u>15,950,192</u>	<u>2,584,472,164</u>
	<u>\$ 9,170,561,972</u>	<u>(6,278,040,000)</u>	<u>(324,000,000)</u>	<u>15,950,192</u>	<u>2,584,472,164</u>

Note:

As of December 31, 1998, bond and note indebtedness totaling

\$6,278,040,000 had been defeased or retired from the following sources:

Revenues	\$ 557,840,082
Excess construction funds, bond proceeds and miscellaneous receipts allocated to revenues	20,037,918
Issuance of Series G (refunding issue) Turnpike Revenue Bonds to refund Series F bonds for redemption on January 1, 1979	137,000,000
Portion of proceeds of the 1973 Turnpike Improvement Revenue Bonds used to retire Turnpike notes, Series A	125,500,000
Issuance of Turnpike System Revenue Bonds, first series (refunding) to refund the 5.70% Turnpike Improvement Revenue Bonds, first series, for retirement in accordance with sinking fund installment established at the time of their issuance	210,000,000
Issuance of Turnpike Revenue Bonds, 1984 Series to refund the Turnpike Revenue Bonds Series A through E and Series G and the Turnpike System Revenue Bonds, First Series (refunding), for retirement in accordance with sinking fund installments established at the time of their issuance	724,837,000
Issuance of Turnpike Revenue Bonds, 1985 Series, Mode A used to retire 1985 Series bi-modal, multi-term format Mode I Bonds	2,000,000,000
Retirement of Turnpike Revenue Bonds, 1985 Series, Mode A	1,000,000
Issuance of Turnpike Revenue Bonds, Series 1991 A through D to refund Turnpike Revenue Bonds, 1984 Series and a portion of Revenue Bonds, 1985 Series	2,085,460,000
Redemption and retirement of Turnpike Revenue Bonds, 1985 Series from moneys in the Construction Fund	<u>416,365,000</u>
	<u>\$ 6,278,040,000</u>

NEW JERSEY TURNPIKE AUTHORITY

Schedules of Toll Revenue

Years ended December 31, 1998 and 1997

<u>Class</u>	<u>Description</u>	<u>1998</u>		<u>1997</u>	
		<u>Toll Revenue</u>	<u>Number of Vehicles (unaudited)</u>	<u>Toll Revenue</u>	<u>Number of Vehicles (unaudited)</u>
1	Passenger car, motorcycle, taxi or hearse, light truck	\$ 230,748,214	182,911,005	\$ 223,679,190	177,268,233
2	Vehicles having two axles other than type described under Class 1	18,743,680	6,440,503	18,082,234	6,258,446
3	Vehicle (vehicles), single or in combination, having three axles	8,710,596	2,554,156	8,256,677	2,387,077
4	Vehicle (vehicles), single or in combination, having four axles	12,798,527	2,544,331	12,226,507	2,437,879
5	Vehicle (vehicles), single or in combination, having five axles	84,992,507	13,136,848	82,556,505	12,750,828
6	Vehicle (vehicles), single or in combination, having six or more axles	988,440	141,225	940,881	139,018
7	Buses having two axles	675,050	379,379	661,415	367,044
8	Buses having three axles	4,399,979	1,300,823	4,195,680	1,243,630
	Nonrevenue vehicles	-	1,714,766	-	1,720,561
		362,056,993	211,123,036	350,599,089	204,572,716
	Discounts	(972,780)		-	
	Total adjustments	(252,588)		(162,401)	
		\$ 360,831,625		\$ 350,436,688	